

19720 A

AGREEMENT

2 1995

This Agreement is entered into by GUILFORD TRANSPORTATION INDUSTRIES, INC. ("GTI"), MAINE CENTRAL RAILROAD COMPANY ("MeC"), BOSTON AND MAINE CORPORATION ("B&M"), SPRINGFIELD TERMINAL RAILWAY COMPANY ("STRR") (collectively "the Companies"), and FIRST NH BANK ("Bank") on November 14, 1995.

1. On or about the date hereof Bank is loaning \$5,200,000.00 to the Companies ("the Loan") and the Companies are executing and delivering to Bank their Promissory Note dated November 14, 1995, in the original principal amount of \$5,200,000.00 ("the \$5,200,000.00 Note").

2. On the date hereof Bank holds the following:

a. Promissory Note of GTI and STRR in the original principal amount of \$339,650.00 dated December 15, 1992 ("the \$339,650.00 Note");

b. Promissory Note of the Companies in the original principal amount of \$5,000,000.00 dated December 31, 1992 ("the \$5,000,000.00 Note");

c. Promissory Note of GTI and STRR in the original principal amount of \$800,000.00 dated June 22, 1993 ("the \$800,000.00 Note");

d. On or about November 10, 1993 Bank, at the request of GTI, PT, and MeC, issued Bank's Standby Letters of Credit numbered S209346, S209347, S209348, and S209349 to the Coleman Company and, on November 13, 1993, Bank entered into Standby Letter of Credit Application and Security Agreements as follows: with GTI and PT in the amount of \$24,059.00 relating to Standby Letter of Credit number S209346; with GTI and MeC in the amount of \$866,725.00 relating to Standby Letter of Credit number S209347; with GTI and PT in the amount of \$37,969.00 relating to Standby Letter of Credit number S209348; and with GTI and MeC in the amount of \$95,961.00 relating to Standby Letter of Credit number S209349. Hereafter, those four Agreements and any renewals or amendments thereof are referred to as "the Letter of Credit Agreements";

e. Promissory Note of the Companies in the original principal amount of \$586,750.00 dated December 3, 1993 ("the \$586,750.00 Note");

f. Promissory Note of GTI in the original principal amount of \$285,000.00 dated March 11, 1994 ("the \$285,000.00 Note");

g. Promissory Note of the Companies in the original principal amount of \$4,500,000.00 dated January 13, 1995 ("the \$4,500,000.00 Note");

h. Promissory Note of the Companies in the original principal amount of \$3,458,160.00 dated March 31, 1995 ("the \$3,458,160.00 Note");

i. Promissory Note of the Companies in the original principal amount of \$673,000.00 dated October 20, 1995 ("the \$673,000.00 Note").

j. The \$5,200,000.00 Note.

3. Each of the items referred to in subparagraphs 2.a., 2.b., 2.c., 2.d., 2.e., 2.f., 2.g., 2.h., 2.i., and 2.j., above, is "Indebtedness" as that term is used in the following documents: "Loan Agreement" between Bank and the Companies dated December 31, 1992; Commercial Pledge Agreement between the Companies and Bank dated December 31, 1993; the January 13, 1995 Commercial Security Agreement; and the following Commercial Security Agreements: between Bank and GTI and STRR dated December 15, 1992; between Bank and the Companies dated December 31, 1992; between Bank and GTI and STRR dated June 22, 1993; between Bank and the Companies dated December 3, 1993; between Bank and GTI dated March 11, 1994; and Commercial Security Agreement between Bank and the Companies dated January 13, 1995, all as previously amended (hereafter collectively referred to as the "Commercial Security Agreements").

4. The Commercial Security Agreements are hereby amended so as to include the equipment and other collateral described on Exhibit A attached hereto as additional collateral under each of those Commercial Security Agreements. MeC hereby grants Bank a first security interest in the equipment and other collateral described on Exhibit A on the terms stated in the Commercial Security Agreements. This Agreement shall be filed with the Interstate Commerce Commission to perfect Bank's security interest. MeC shall execute such additional documents as Bank may reasonably request to maintain that first security interest.

5. Effective the date hereof the "Additional Affirmative Covenants" section of the December 31, 1992 Loan Agreement is amended to include the following:

"Rail Division Net Worth" means: the sum of Rail Division Equity, plus Redeemable Preference Shares, plus

Minority Interest, plus Aggregate Deferred Income Tax Liabilities; less the sum of Advances to Parent Company, Intangible Pension Asset, and Aggregate Deferred Income Tax Assets; all as shown on GTI's consolidated financial statements to be prepared and presented to Bank in the same format as the 1994 year end statements.

"Railway Operating Income" means the sum of the operating revenues less operating expenses of B&M, MeC, and STRR all as shown on GTI's Rail Division combined financial statements to be prepared and presented to Bank in the same format as the 1994 year end statements.

From the date hereof the Companies shall maintain, at all times, a Rail Division Net Worth of not less than the greater of: the sum of \$100,000,000.00 plus 50% of Railway Operating Income earned after January 1, 1995; or \$100,000,000.00.

6. Upon payment in full of the \$339,650.00 Note and provided none of the Companies is in default on any obligation to Bank, Bank will release all security interests in the Train Dynamics Analyzer/Locomotive Simulator.

7. Upon payment in full of the \$5,000,000.00 Note and termination of the Line of Credit, provided none of the Companies is in default on any obligation to Bank, Bank will terminate its security interest in the Companies' accounts and contract rights.

8. Upon payment in full of the \$800,000.00 Note and provided none of the Companies is in default on any obligation to Bank, Bank will release its security interest in the IBM Model AS-400 computer.

9. Upon payment in full of the \$586,750.00 Note and provided none of the Companies is in default on any obligation to Bank, Bank will release its security interest in the forty-nine (49) general purpose box cars designated as numbers BM79000 through BM79049.

10. Upon payment in full of the \$285,000.00 Note and provided none of the Companies is in default on any obligations to Bank, Bank will release its security interest in the 1993 Diamond Z Industrial Wood Grinder Model PWG 1260 with 650 h.p. Cat Diesel Engine, remote controlled fixed hammers, one set of screens and magnets S/N 1D9FX3923PC231041.

11. Upon payment in full of the \$4,500,000.00 Note and provided none of the Companies is in default on any obligations to Bank, Bank will release its security interest in 197 general

purpose boxcars bearing road numbers BM 3200 through BM 3399, excluding BM 3202, BM 3204, and BM 3321.

12. Upon payment in full of the \$3,458,160.00 Note and provided none of the Companies is in default on any obligations to Bank, Bank will release its security interest in the collateral described on Exhibit A attached to the March 31, 1995 Agreement between the Companies and the Bank.

13. Upon payment in full of the \$5,200,000.00 Note and provided none of the Companies is in default on any obligations to Bank, Bank will release its security interest in the collateral described on Exhibit A attached hereto.

14. The Companies acknowledge that the following finance charges have been disclosed to them in connection with the Loan: interest at the fixed rate of 7.83% and attorney's fees estimated at \$600.00 to be billed post closing.

15. When used herein "PT" means Portland Terminal Company.

16. Except as expressly modified hereby all other terms and conditions of the documents referred to herein continue in full force and effect.

GUILFORD TRANSPORTATION INDUSTRIES,  
INC.

By: Michael A. Holmes  
Michael A. Holmes, V.P./Finance

MAINE CENTRAL RAILROAD COMPANY

By: Michael A. Holmes  
Michael A. Holmes, V.P./Finance

BOSTON AND MAINE CORPORATION

By: Michael A. Holmes  
Michael A. Holmes, V.P./Finance

SPRINGFIELD TERMINAL RAILWAY  
COMPANY

By: Michael A. Holmes  
Michael A. Holmes, V.P./Finance

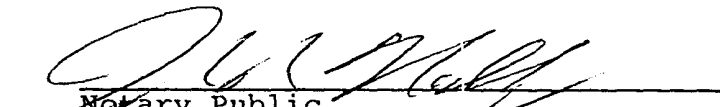
FIRST NH BANK

By: David D. McGraw  
David D. McGraw, V.P.

COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

On this the 13<sup>TH</sup> day of NOVEMBER, 1995, before me, personally appeared Michael A. Holmes, who acknowledged himself to be the Vice-President of Guilford Transportation Industries, Inc., and that he, as such Vice-President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice-President.


In witness whereof I hereunto set my hand and official seal.

  
Notary Public  
My Commission Expires: 7/6/2001

COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

On this the 13<sup>TH</sup> day of NOVEMBER, 1995, before me, personally appeared Michael A. Holmes, who acknowledged himself to be the Vice-President of Maine Central Railroad Company, and that he, as such Vice-President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice-President.

In witness whereof I hereunto set my hand and official seal.

  
Notary Public  
My Commission Expires: 7/6/2001

COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

On this the 13<sup>TH</sup> day of NOVEMBER, 1995, before me, personally appeared Michael A. Holmes, who acknowledged himself to be the Vice-President of Boston and Maine Corporation, and that he, as such Vice-President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice-President.

In witness whereof I hereunto set my hand and official seal.

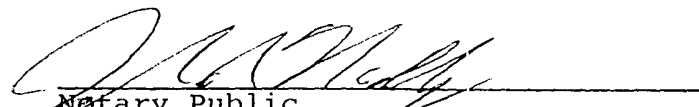
  
Notary Public  
My Commission Expires: 7/6/2001

EXHIBIT A

Thirty-five (35) GP-40 locomotives, numbered:

CR 3001	CR 3201	CR 3221
CR 3002	CR 3202	CR 3224
CR 3003	CR 3203	CR 3226
CR 3004	CR 3208	CR 3260
CR 3007	CR 3209	CR 3261
CR 3050	CR 3271	CR 3264
CR 3052	CR 3210	CR 3266
CR 3171	CR 3212	CR 3267
CR 3179	CR 3213	CR 3268
CR 3188	CR 3214	CR 3269
CR 3194	CR 3215	CR 3270
CR 3195	CR 3219	

acquired by MeC from Consolidated Rail Corporation.

G03/FL24

COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

On this the 13<sup>TH</sup> day of November, 1995, before me, personally appeared Michael A. Holmes, who acknowledged himself to be the Vice-President of Springfield Terminal Railway Company, and that he, as such Vice-President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice-President.

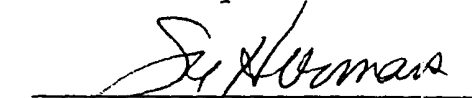
In witness whereof I hereunto set my hand and official seal.

  
Notary Public  
My Commission Expires: 7/6/2001

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this the 14 day of November, 1995, before me, personally appeared David D. McGraw, who acknowledged himself to be the Vice-President of First NH Bank, and that he, as such Vice-President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice-President.

In witness whereof I hereunto set my hand and official seal.

  
Notary Public/~~Justice of the Peace~~  
my commission  
expires Oct 29 1998

G03/FL24